

1951



Report

NEW YORK TIMES MAGAZINE

NEW PARTS YEAR AT A GLANCE

A SUMMARY OF 1951



WE RECEIVED FROM SMELTERS AND
MISCELLANEOUS INCOME . . .

Percent

Total

Per
Worker

100% \$2,283,594.69 \$10,104

IN BUYING OUR PRODUCTS, SMELTERS PAID THE FOLLOWING COSTS:



Cost of Goods and Services Bought
from Others . . .

25%

561,139.02

2,483



Cost of Human Energy . . .
(Payrolls, Pensions, Benefits)

53%

1,213,056.49

5,368

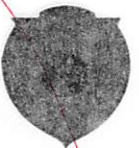


Cost of Tools Wearing Out . . .
(Depreciation and Abandonments)

5%

122,854.93

543



Cost of Payments Ordered by
Government . . .
(Taxes)

5%

118,616.54

525



Cost of Using Tools . . .
(Profit)

12%

267,927.71

1,185

TOTAL EXPENDED . . . 100% \$2,283,594.69 \$10,104

KEEP THIS PAGE OPEN BEFORE YOU

PRESIDENT'S LETTER



SALT LAKE CITY OFFICE
904 WALKER BANK BUILDING

NEW PARK MINING COMPANY

KEETLEY, UTAH

TO THE STOCKHOLDERS AND EMPLOYEES:

A successful mining enterprise is dependent upon two things--a productive mining property, and an efficient organization of aggressive and fast moving employees. We have both. In 1951 our production increased to 88,296 tons compared with 70,480 tons in 1950 and 64,738 tons in 1949.

For many years we have been paying the Stockholders a large per cent of the profits earned in dividends, and at the same time, we have purchased, roughly, a third of the entire Park City district, comprising thousands of acres of valuable mineral lands. This district has produced over \$400,000.000, largely in silver, lead and zinc. The part of the district which we now own contains not only these metals, but also valuable deposits of both gold and copper. We are actively pressing the exploration and development of all these metals.

The Wage Stabilization Board has before it now the question of wages retro-active to July 1, 1951, and we are confident the decision of the Board will be fair and reasonable and that we can adjust our operation to the new wages, provided the ceiling prices of metals are given proper consideration.

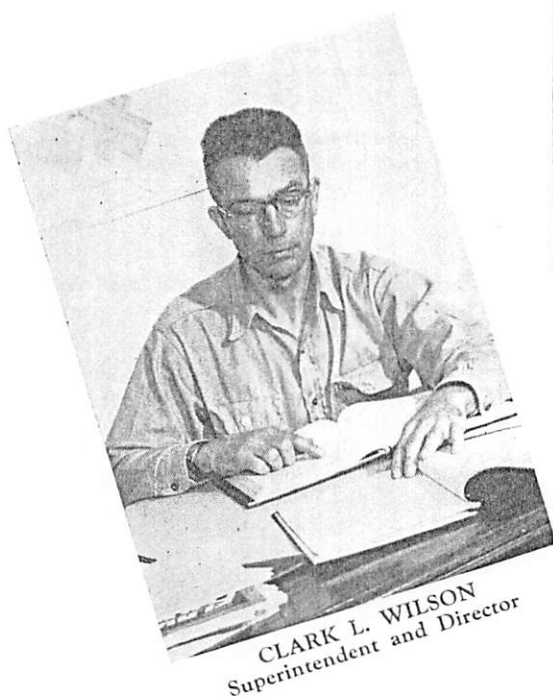
The outlook for non-ferrous metals, shown in the research done by one large consumer, indicates that copper production plans do not equal the steel expansion program. Zinc expansion plans exceed steel's plans, and lead will be about equal to steel's plans for expansion. Therefore, we are making an effort to open up a large copper deposit which may be contained in our property.

Present tax rates and inflation place an enormous burden on future income and enormously enhance the importance as an investment of the potential growth possibilities of both mining and oil. New Park's ownership of 20% of the stock of Oil Incorporated, with its large interest in the Uintah and Williston Basins, and the active development of its own mineral lands, make the operation of this Company a great adventure, with a splendid outlook for the future.

I consider it a privilege to participate in this cooperative enterprise, both as a shareholder and an employee.

Sincerely yours,

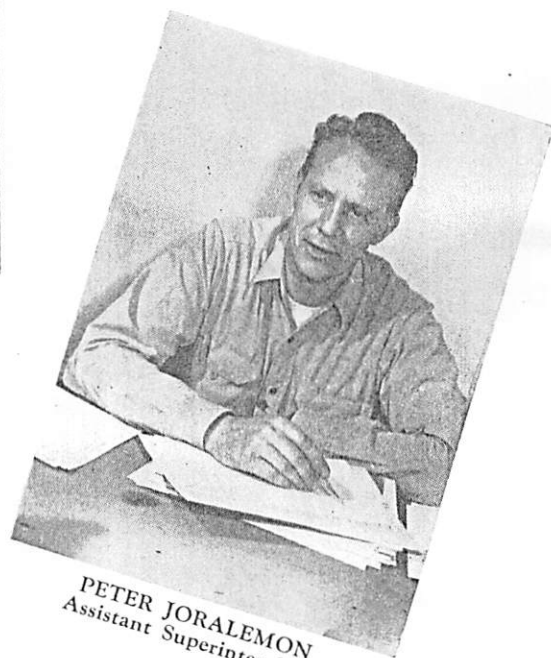




CLARK L. WILSON
Superintendent and Director



ROBERT L. CRANMER
Secretary and Director



PETER JORALEMON
Assistant Superintendent

TOTAL INCOME \$2,283,594.69

During 1951 the mining industry operated under metal prices that were controlled by the government through the Office of Price Stabilization. For the first nine months of the year the ore settlement price for lead was 17¢ per pound and zinc 17½¢ per pound. In October the O.P.S. settlement prices were advanced to 19¢ and 19½¢ per pound respectively for lead and zinc. This is

tons of ore and waste broken in 1951 is the largest of any year in New Park history.

The average combined assays of lead and zinc decreased from 10.71% in 1950 to 10.60% in 1951. The average assay of gold, silver and copper also decreased, reflecting a smaller percentage of Pearl Fissure ore mined as compared to the ore shipped from the Mayflower Fissure. Income

STATEMENT OF INCOME and EARNED SURPLUS

for the year ended December 31, 1951

INCOME FROM ORE SALES:

Gross smelter settlements	\$2,655,019.73	
Less: Treatment charges, freight, and other smelter deductions	385,056.80	\$2,269,962.93

COST OF MINING AND OTHER INDIRECT MINING EXPENSES:

Cost of mining	1,580,400.81	
Provision for depreciation	60,890.88	
General and administrative expenses	145,525.82	
Leases and other property expenses	1,833.57	
Taxes other than federal income taxes	64,720.01	1,853,371.09

INCOME FROM MINING		416,591.84
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OTHER INCOME:

Interest on United States Treasury Bonds	7,699.56	
Miscellaneous income	5,932.20	13,631.76
		430,223.60

MISCELLANEOUS EXPENSES AND LOSSES:

Exploration and development expenses	44,258.51	
Loss on worthless securities — Mayflower Exploration and Development Company	1,353.75	
Abandonment loss — Dugway Mining claims, Tooele County, Utah	60,610.30	
Repairs and maintenance—ranch buildings	2,176.80	108,399.36

INCOME BEFORE PROVISION FOR FEDERAL INCOME TAXES		321,824.24
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PROVISION FOR FEDERAL INCOME TAXES		53,896.53
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NET INCOME FOR YEAR CARRIED TO EARNED SURPLUS—notes 1 and 2		267,927.71
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EARNED SURPLUS:

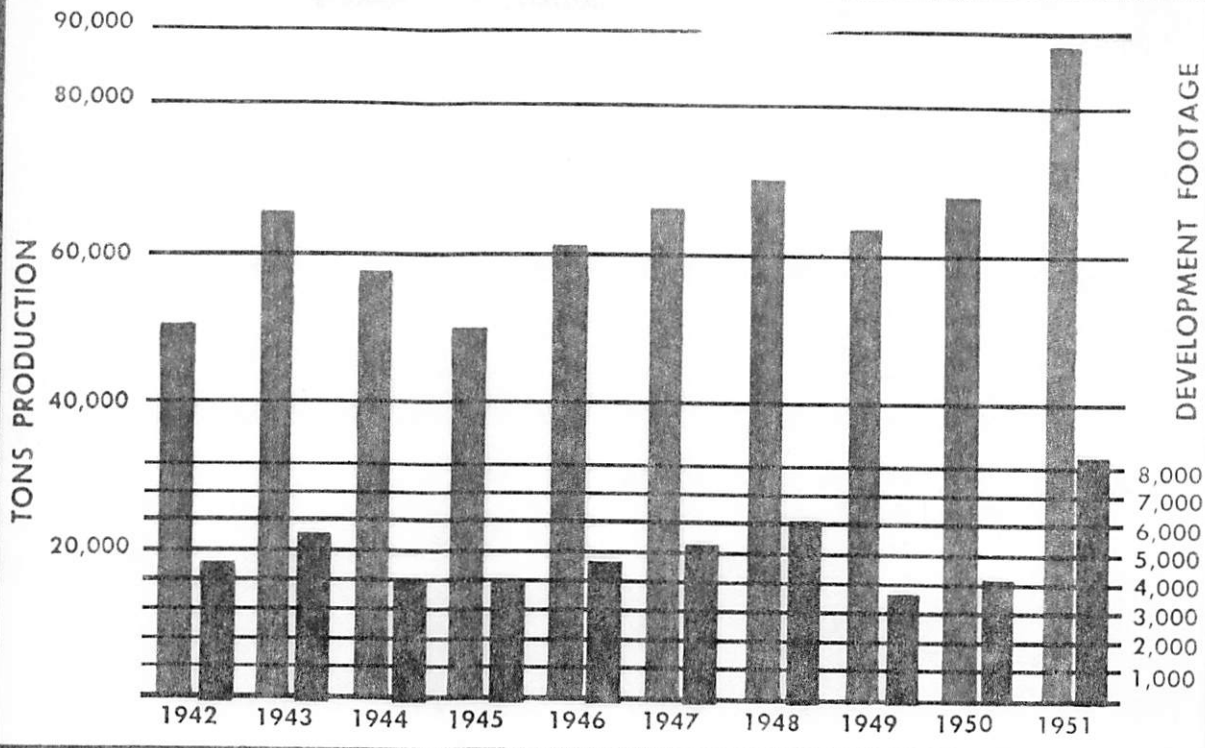
Balance at January 1, 1951	1,169,145.51	
Deduct: Dividends paid — six cents per share	181,513.68	987,631.83

EARNED SURPLUS AT DECEMBER 31, 1951		\$1,255,559.54
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NOTE 1: Net income is stated without provision for depletion in accordance with the method of accounting and reporting consistently followed by the company. For federal income and state franchise tax purposes, depletion has been computed on a percentage of income basis, which for the year 1951 amounted to \$211,316.25 and \$124,571.38, respectively.

NOTE 2: Cost of mining and treatment charges for the year include \$70,279.74, representing wage increases retroactively applied, as explained in note 3 of the balance sheet.

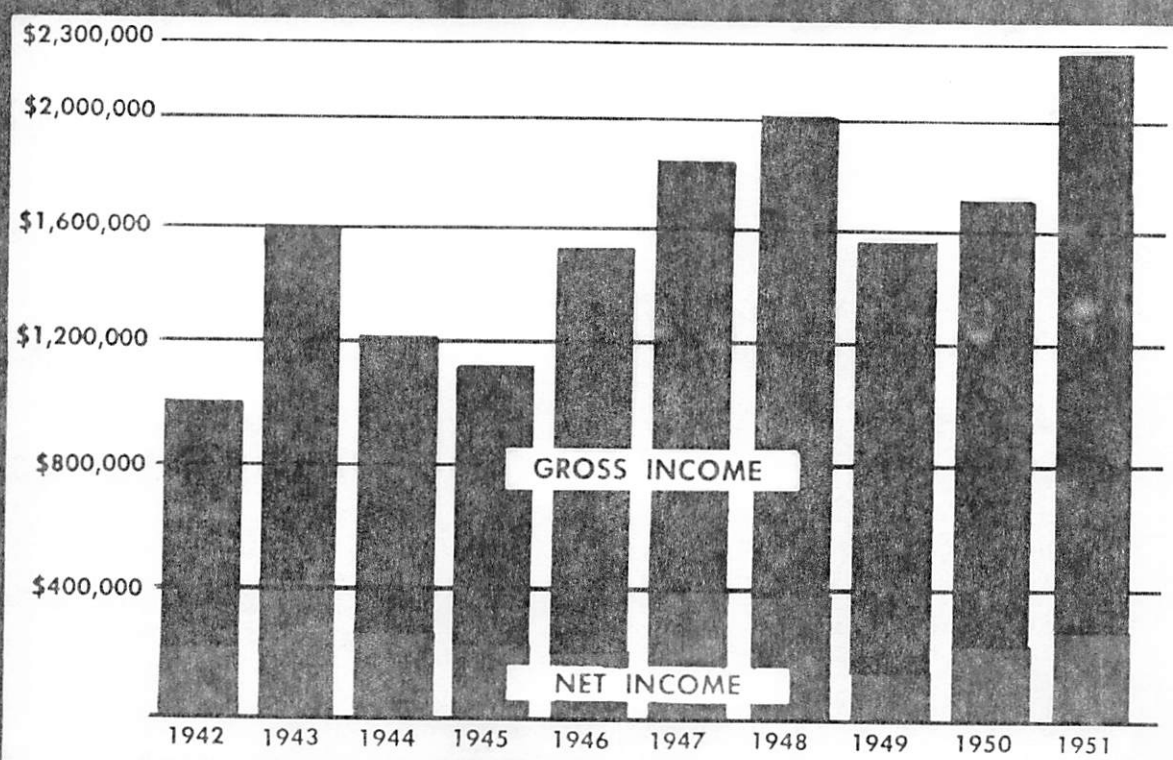
DEVELOPMENT FOOTAGE AND ORE PRODUCTION (10 Year Period)

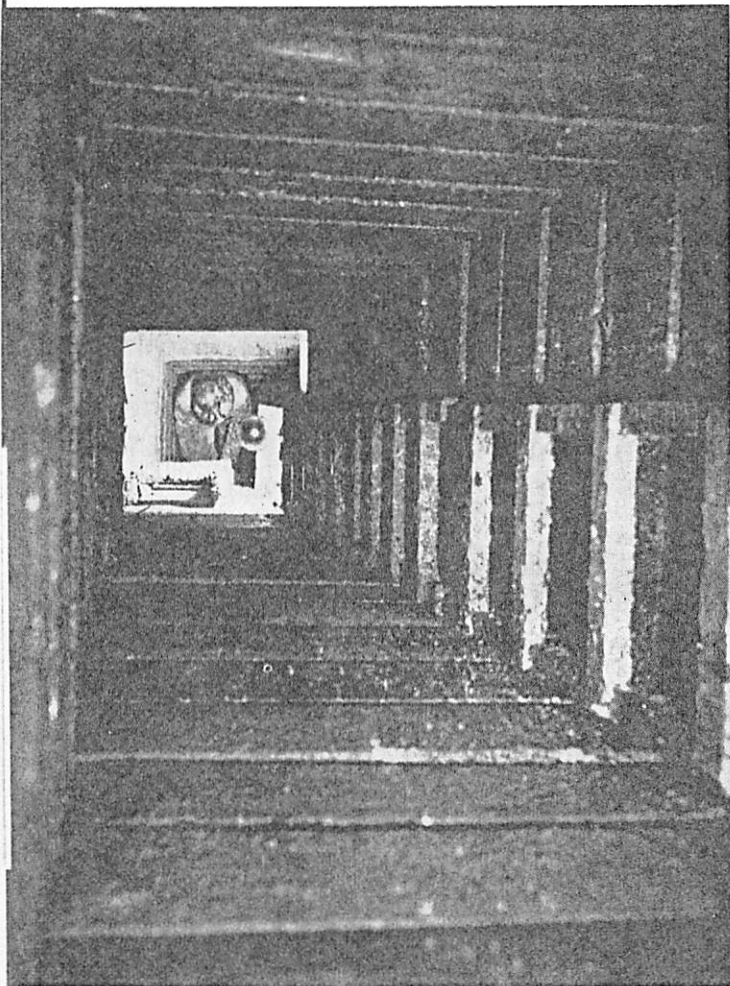


area north of the Pearl Fissure to our property line. The second project is the extension of the Mayflower Tunnel level southwesterly through New Park property leased by us from the U. S. Smelting Refining and Mining Company. The third project is reopening the Star Tunnel level and crosscutting

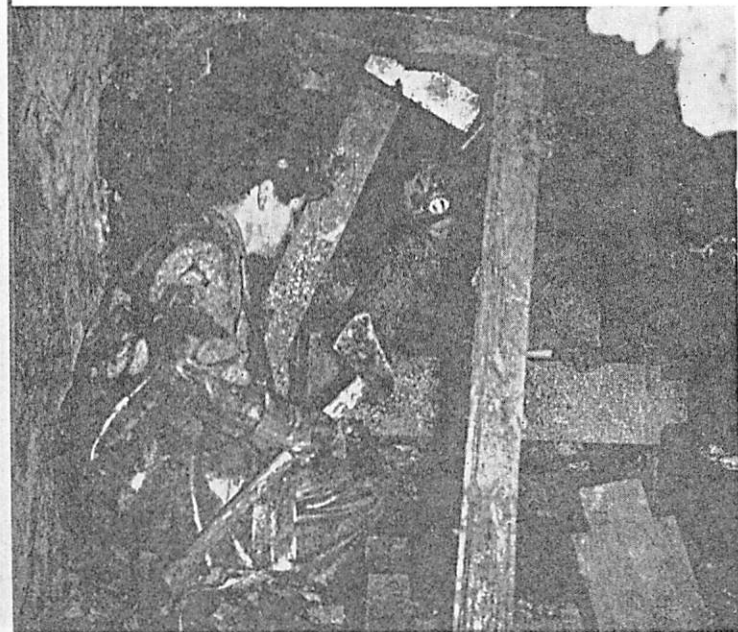
through the Miriam Claims owned by New Park. At the close of the year 37% of the funds approved had been expended in this work. This is a long range exploration plan, important to our future ore reserves and is being accomplished at very reasonable expense to the company.

GROSS AND NET INCOME (10 Year Period)





A. W. Anderson, Shift Foreman, climbs the ladder in a cribbed raise.



It is difficult to predict the trends of the conditions that affect our income account, but some of these factors should be discussed.

There is a continuing demand, exceeding the supply, for copper and zinc. Ceiling prices have been set on these metals by the Office of Price Stabilization and there is no indication that controls are to be lifted. Since the metal demand is high we expect no marked change, in the immediate future, of copper and zinc prices from their present levels. The supply of lead is now exceeding the demand for this metal and resulted in a recent reduction of price from 19¢ to 15¢ per pound.

There is a possibility of two railroad freight adjustments. One should lower the rate through a plan of lower valuation of our ore according to interstate freight practices. The other will raise rates as an indirect result of interstate rate increases.

Our new milling contract with Combined Metals Reduction Company is for a three-year term. There will be some adjustment upward in the milling charge, as base wages are raised through negotiations now in progress. The milling treatment charge was recently increased 15¢ per ton as freight charges were adjusted to meet changes in freight on refined lead and zinc metals.

The one control that we do have on our income account is grade and tonnage of ore shipped. We are endeavoring to control this by establishing each month a specified ore tonnage to be shipped at an overall dollar value that will net a uniform income per month.

Ore reserves at January 1, 1952, were ample for two years mining at present production rates. Our exploration work is planned to maintain reserves as mining progresses.

Willard Nichols and Pat Lake place timbers to build a cribbed chute.

New Park has voting control of East Utah Mining Company and at present is operating this property. Exploration work in progress there has possibilities of intersecting the eastern extension of the McHenry Fault that has contained large silver-lead-zinc ore bodies. If this work is successful New Park may have an additional source of income.

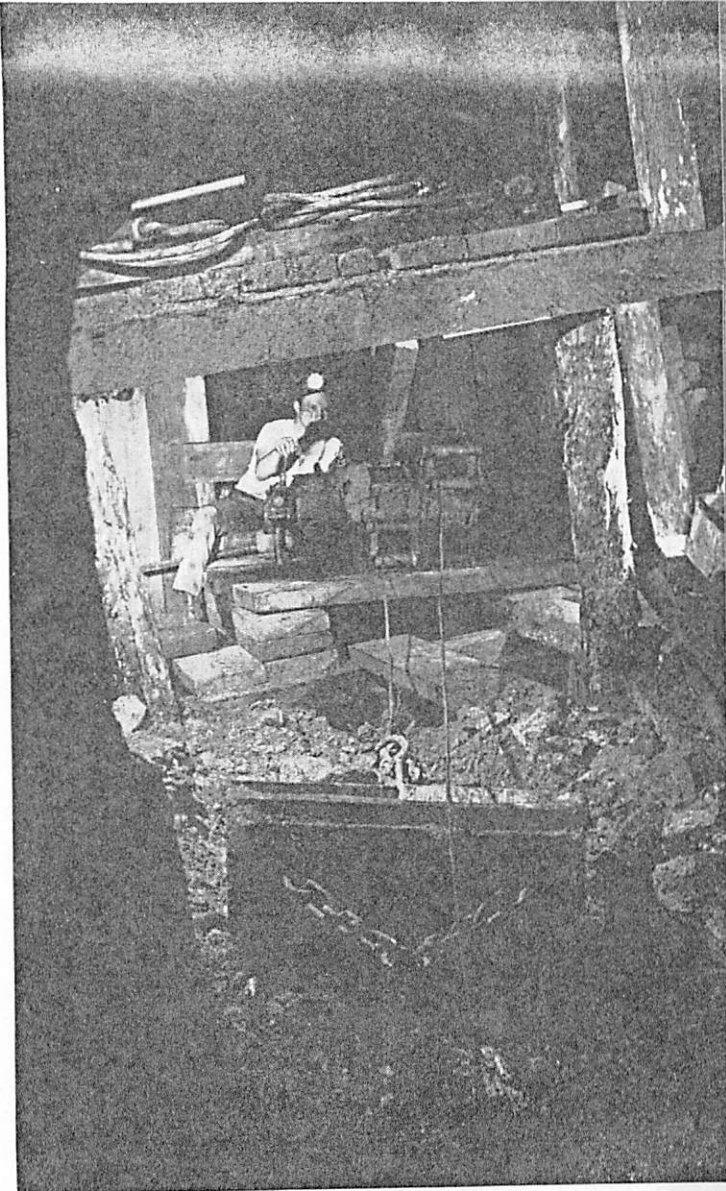
New Park has a 19.6% interest in Oil Incorporated. This stock is currently priced at \$4.50 per share. This is evidence of the public interest in property held by Oil Incorporated. The discovery of oil by the Continental Oil Company at its Chapita Wells unit in the Uintah Basin, or production on lands in the Williston Basin and in other Western States where Oil Incorporated has extensive interests could well be the source of considerable additional income. A road is now being built to a well location in the Chapita Wells area.

It is interesting to note that New Park produced 21,087 ounces of gold, valued at \$510,348, and was the second largest producer in Utah for 1951. Utah is the second largest producer of the yellow metal in the U. S. It is also worth noting that in 1951 gold production at New Park placed third in our total metal sales. Zinc was first with a value of \$886,074 and lead a close second with \$867,021. The year before, with zinc and lead prices down, gold was first in our metal production.

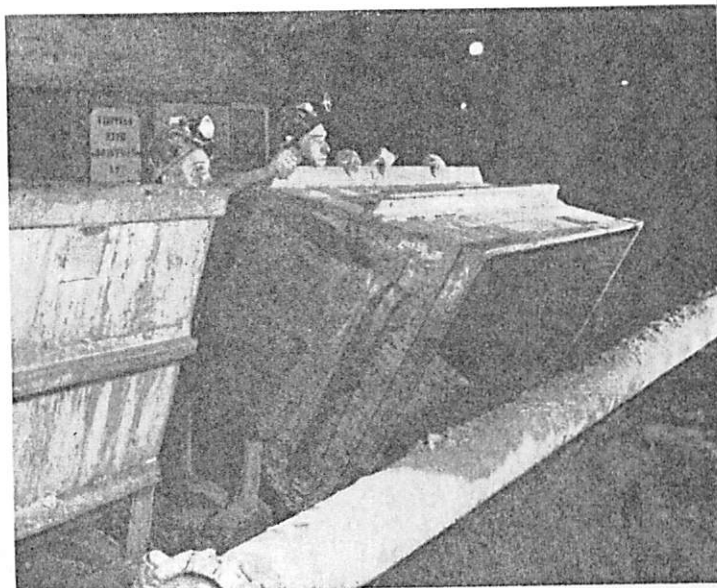
Gold values in this district are found principally with copper. As we open up the country to the south of us we will probably find more gold as copper values are indicated in this area.



Don Anderson and Walt Bauer, geologists, study maps of underground mine workings.



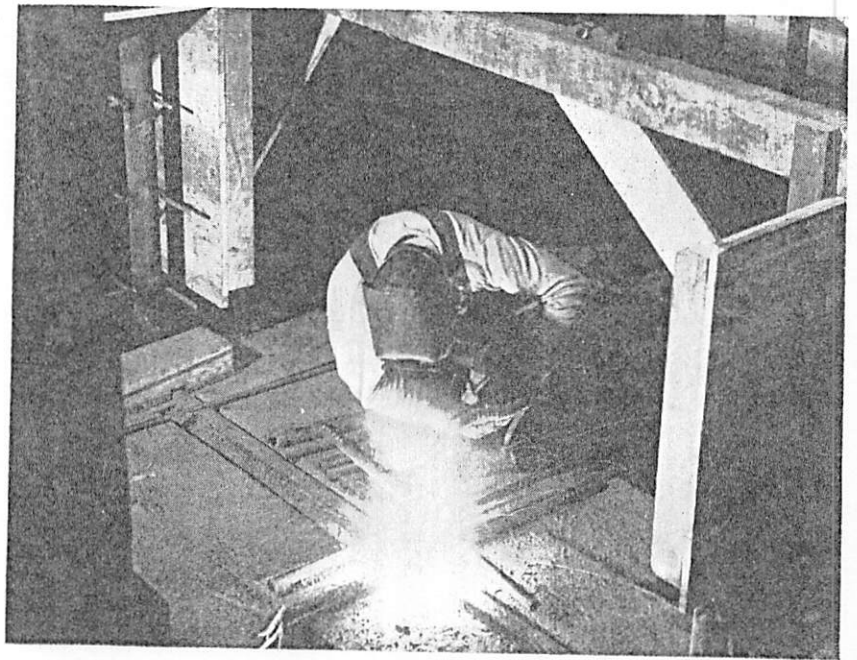
Viri Peterson operates an air-driven slusher hoist to scrape ore into a chute.



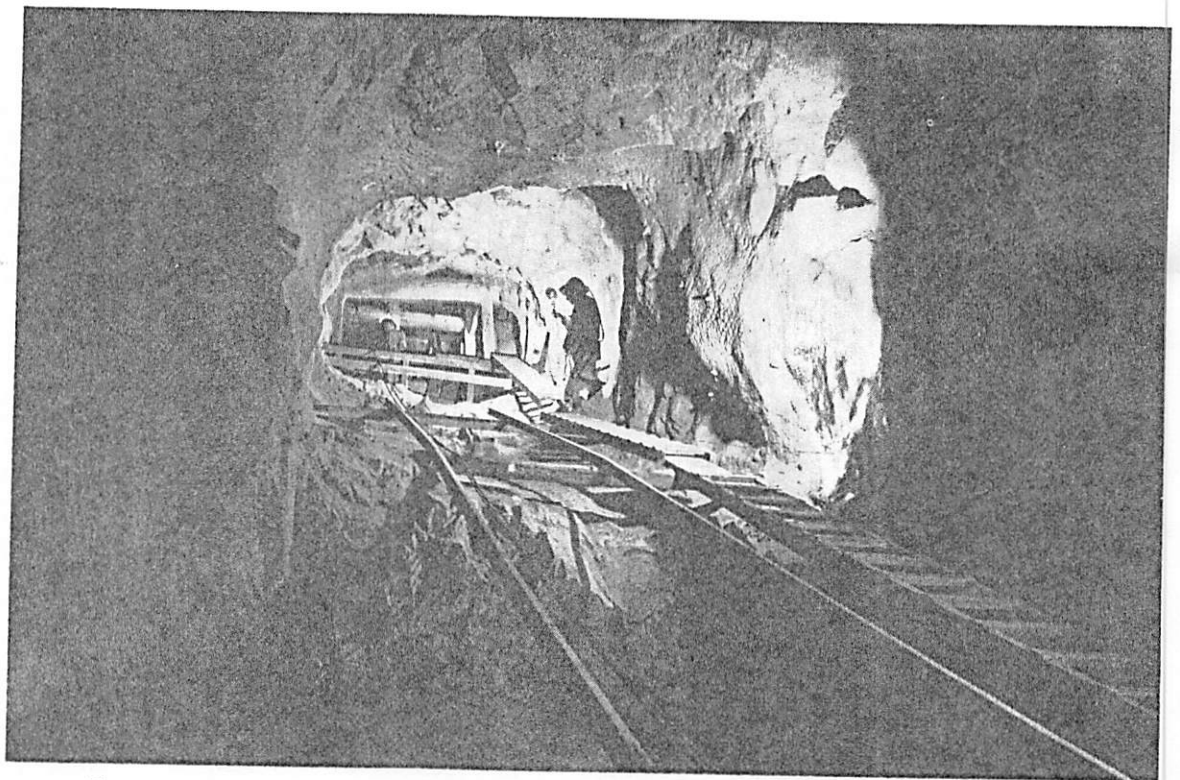
Frank Schooler and Andy Allison dump 40 cubic foot ore cars into pocket on 1380 Level.

\$561,139.02

An understanding of the mine operating conditions is essential to a correct analysis of the reasons for increase in this account over previous years. We have indicated that development footage nearly doubled in 1951 compared to past experiences. This required expenditures for mine rail and miscellaneous fittings and air and water pipe fittings. It placed more equipment in use with resultant repairs and replacements of machine parts. More ventilation pipe and supplies were used. The increased tonnage of both ore and waste handled affected repairs and replacements of haulage equipment including cars and locomotives. It has been necessary to timber more stopes than in years



Jay Burgener welds reinforcing steel used in the new hoist foundation.



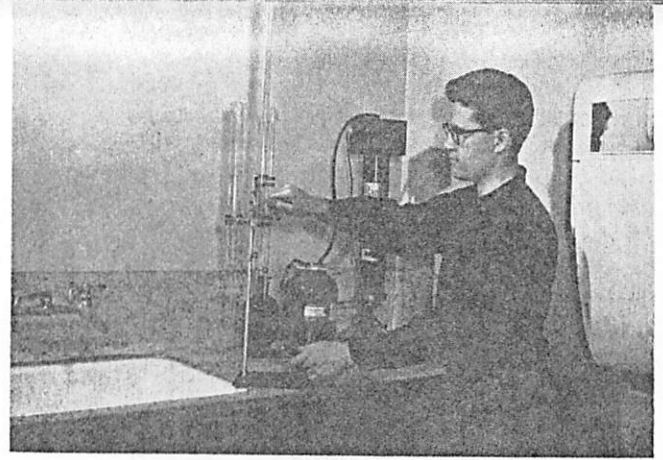
The rope raise was driven 190' through rock connecting the hoist room with the top of the shaft, shown in the center of the picture.

past, as the rock conditions with respect to the fissures have changed at greater depths. This increased timber consumption during 1951. Our power bill also increased, due to more pumping from greater depths, more ventilation fans in use, the need for more compressed air and hoisting from lower levels. These expenditures are all good investments to adequately utilize our present equipment and insure the future of the operation through planned development and exploration work.

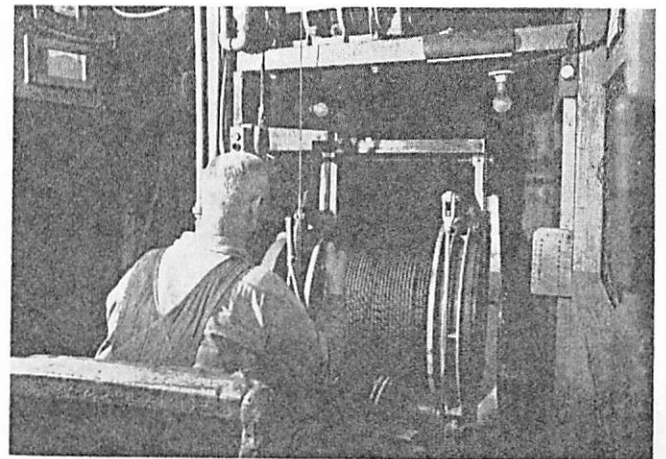
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The selection and installation of the new hoist was made with an eye to the future. It will double present hoist capacity to 4 tons per trip, double present hoisting speed to 1,000 feet per minute and will hoist from an ultimate depth of 3,000 feet below the Mayflower Tunnel level. The hoist equipment will meet our requirements for many years to come.

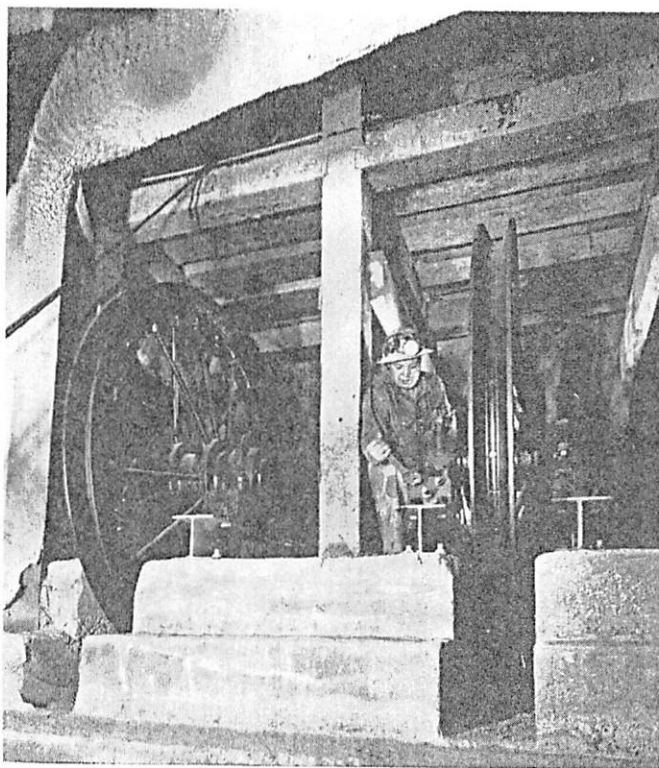
It was necessary to install 8-inch steel beams and reinforced concrete throughout the hoist room to provide a safe, dry area for the hoist equipment.



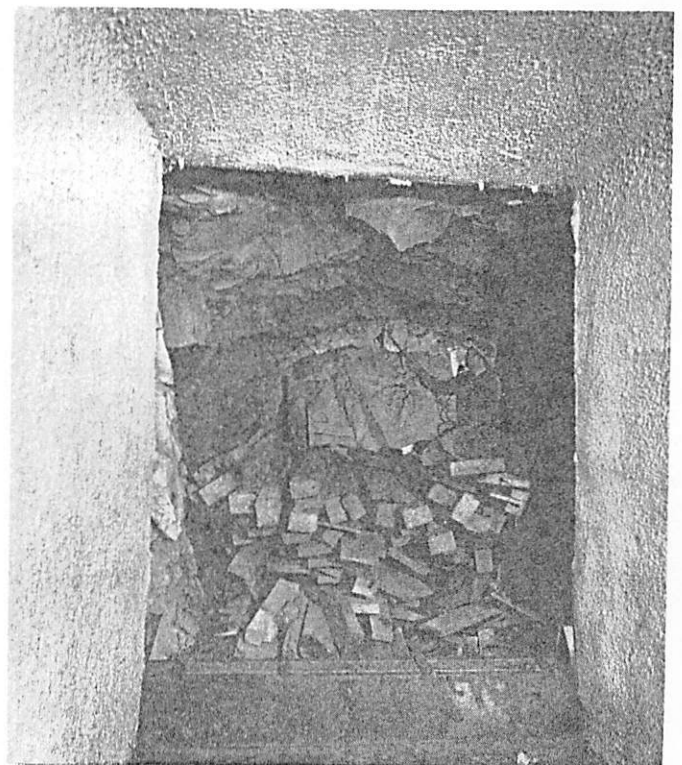
Bob Archer operates geochemical apparatus to test for mineral showings in soil samples.



Ernest Broadhead is operating an auxiliary hoist on the 1380 Level.



Bud Kuhlman adjusts the position of the new 6' sheave wheels for the new hoist installation, which is at the top of the 190° rope raise.



Concrete lining was necessary in the hoist room to support the large loose blocks of rock shown in the background.



drilling time labor is reduced as these bits penetrate the rock much faster. Shorter drilling time also means less wear and tear on rock drills and steel.

Handling timber on the surface and underground is an expensive operation and increases each year as additional timber supplies are used. We are now planning a system to package the timber in bundles, using steel bands. A fork lift truck will handle the bundles on the surface and small air hoists will

Arrangements will be made this summer to realign surface trackage and cover it with snowsheds to expedite the handling of timber, equipment, ore and waste.

There is a concerted effort in the mining industry to develop and utilize new methods and materials. Our efforts are directed to this same goal through experiments of our own and by benefiting from experiments of other organizations.

George Cloward, our Safety Engineer, inspects the oxygen breathing apparatus at our mine rescue station.



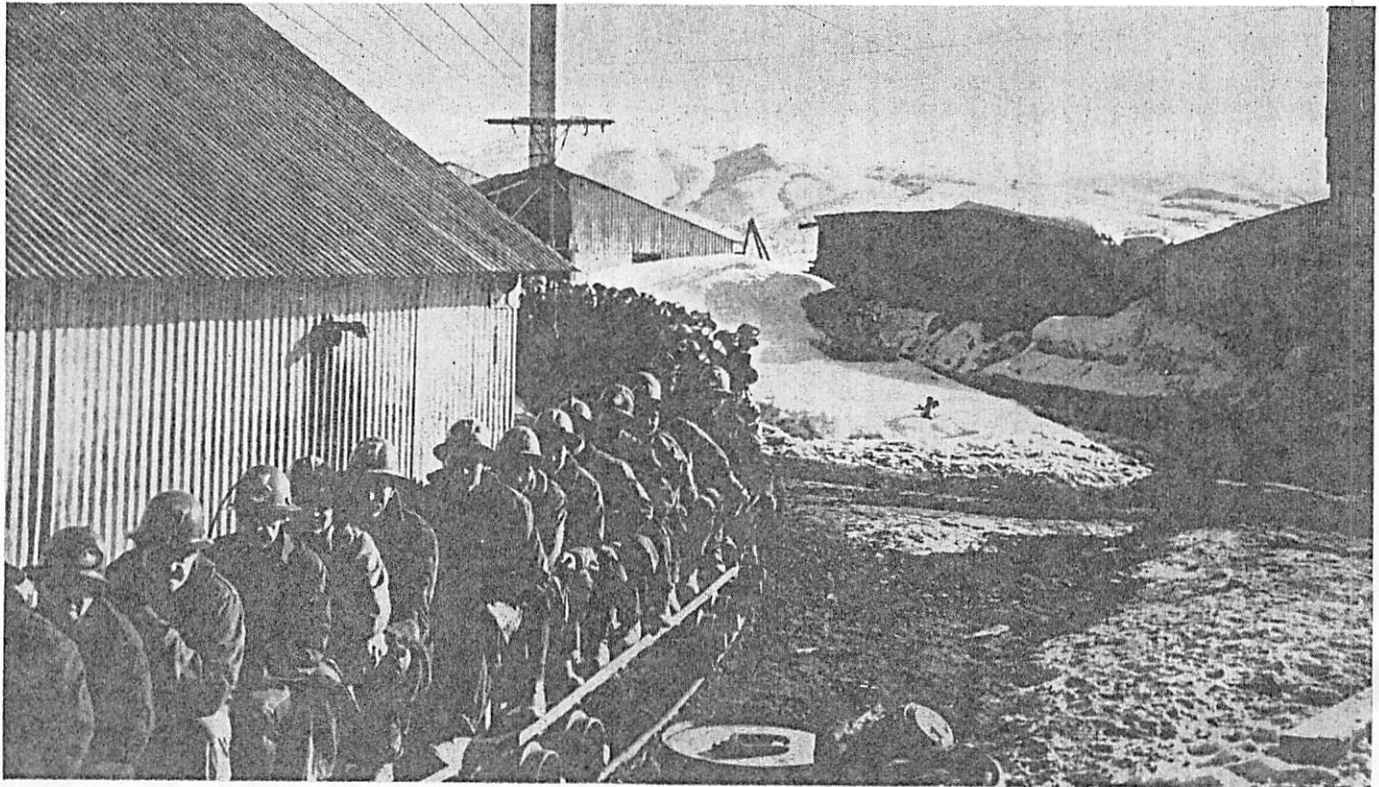
The health, safety and welfare of New Park employees is important to your company. During the year we have employed a full-time safety inspector. His professional and practical background have been valuable in coordinating the safety program. Shift foremen, in cooperation with the safety inspector, hold on-the-job safety meetings with our employees. Safety suggestions and constructive comments from these meetings are used in planning accident prevention programs. Strict adherence to safety rules is company policy.

ranging from one point through sixteen points.

After the job evaluation program was completed it was necessary to negotiate a wage scale. Numerous meetings were held with federal and state conciliators assisting in the negotiations. No agreement could be reached. The question of wages was referred to the Wage Stabilization Board for a final and binding decision. To date this decision has not been received.

One outstanding highlight of the year was the annual New Park employees outing. This was held at a local summer resort on Sept. 15.

The shift starts in the Mayflower Tunnel on a winter morning. Man-train about to enter mile-and-a-half long tunnel.





HUMAN ENERGY - - (*Payroll, Pensions, Benefits*)

\$1,213,056.49

The average American thinks of industrial accomplishments in terms of machines, methods and materials. We must realign this concept and realize that these accomplishments are actually the result of human energy—our employees—directing the operation and use of mechanical aids. One objective of the New Park Mining Company is to increase productivity and at the same time improve earnings, security and cultural advancement of employees.

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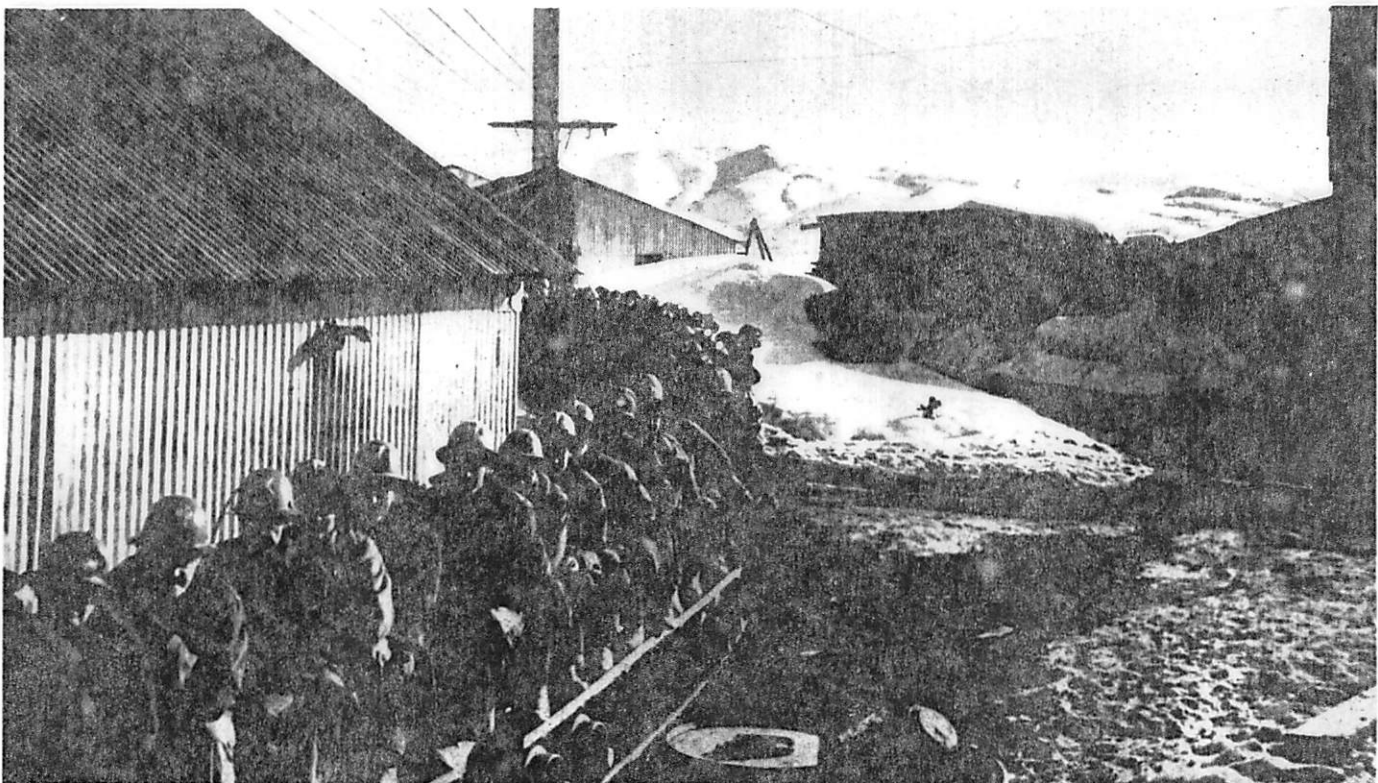
In recent years, representatives of New Park and labor have sought an equitable solution to the problem of establishing a fair and just wage scale. In an effort to solve this problem, the company entered into a job evaluation agreement with the United Steelworkers of America C.I.O. for and on behalf of its Local No. 4264.

Written descriptions were made of every job. A joint company and union committee evaluated all jobs and placed them in classifications ranging from one point through sixteen points.

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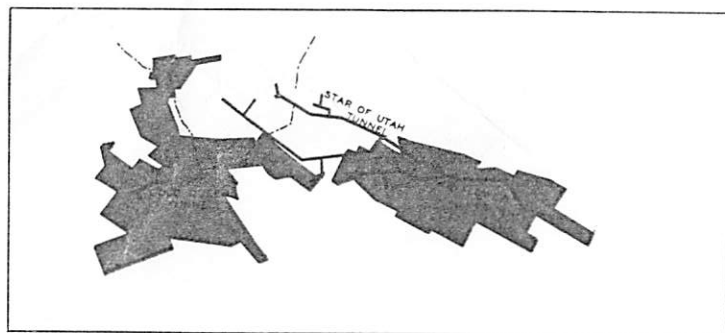
The shift starts in the Mayflower Tunnel on a winter morning. Man-train about to enter mile-and-a-half long tunnel.



NEW PARK HOLDINGS







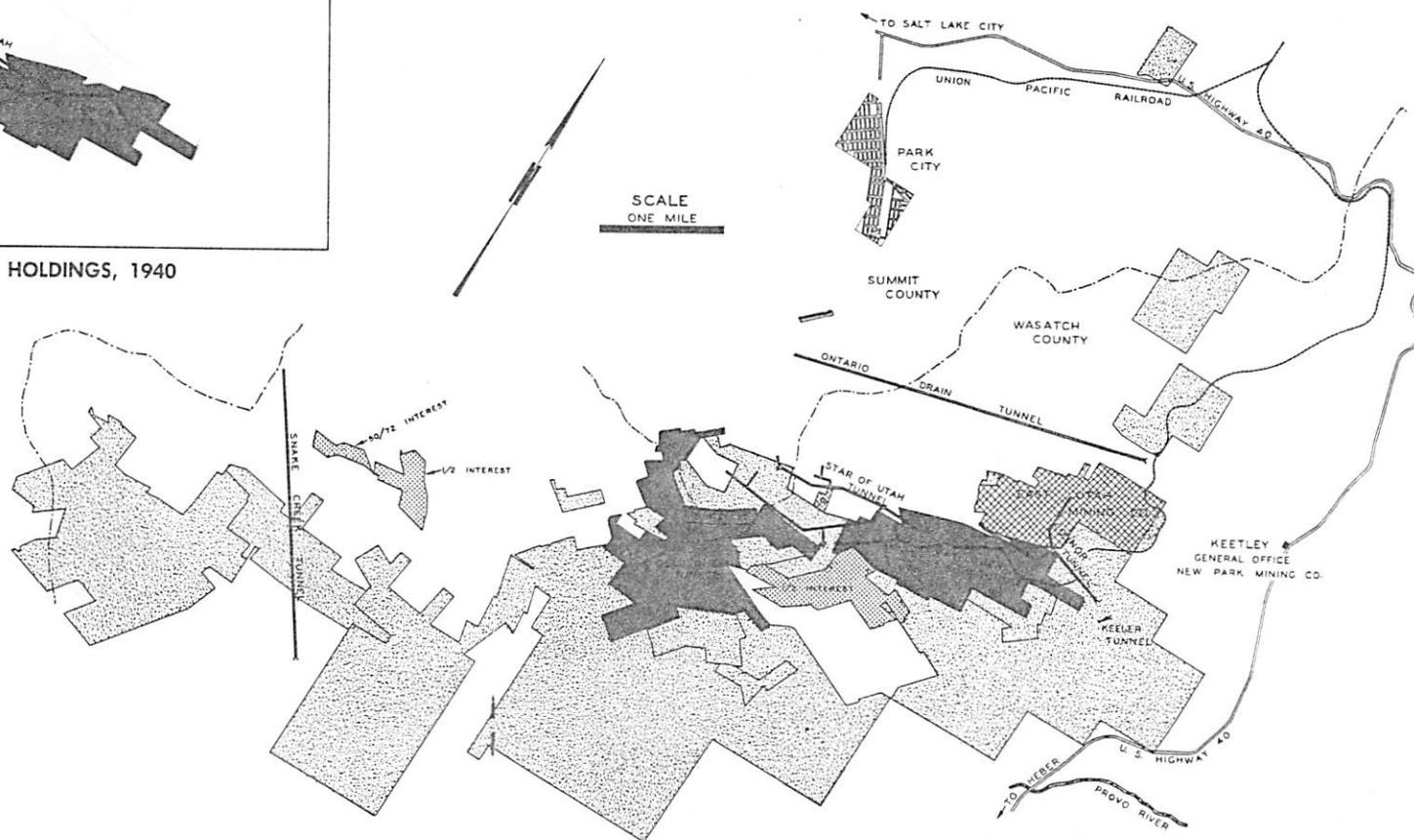
PARK CITY AREA



TOTAL NEW PARK HOLDINGS, 1940

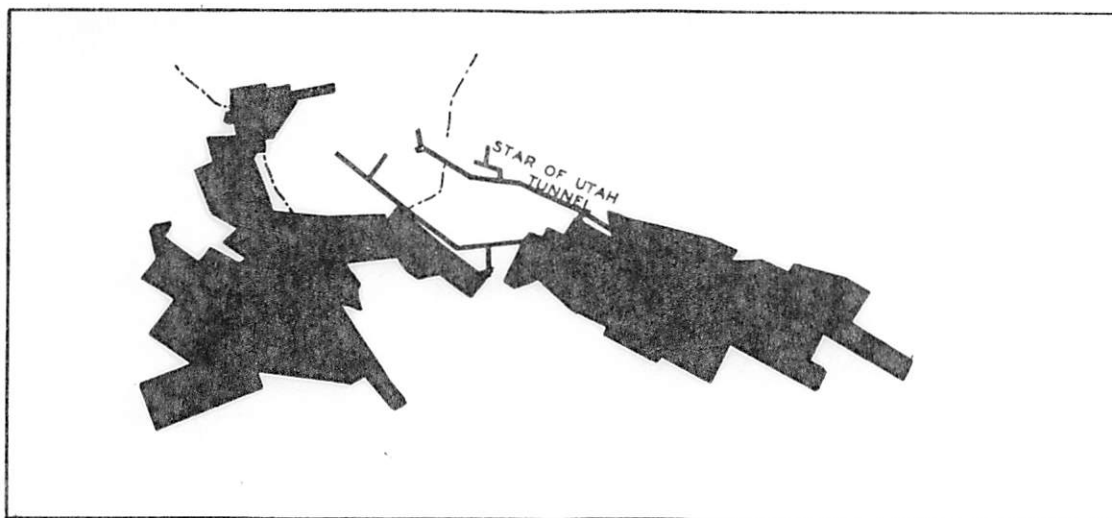
New Park owns ten mining claims in the American Fork mining district which adjoins the area shown on this map.

-  NEW PARK PROPERTY
-  NEW PARK PARTIAL INTERESTS
-  NEW PARK PROPERTY IN 1940
-  EAST UTAH MINING CO.



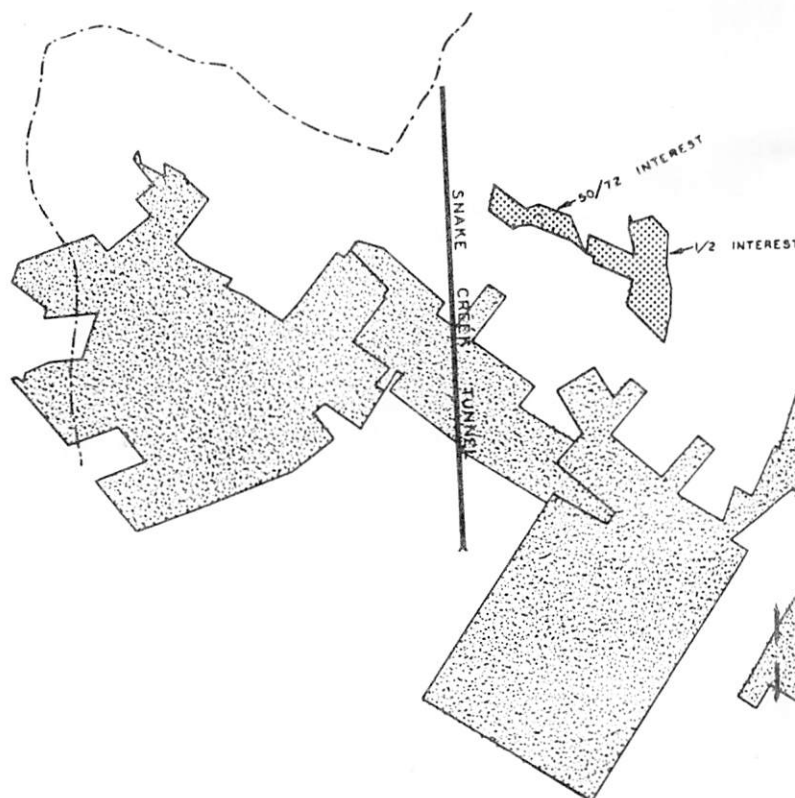
PRESENT NEW PARK HOLDINGS





NEW PARK HOLDINGS



TOTAL NEW PARK HOLDINGS, 1940

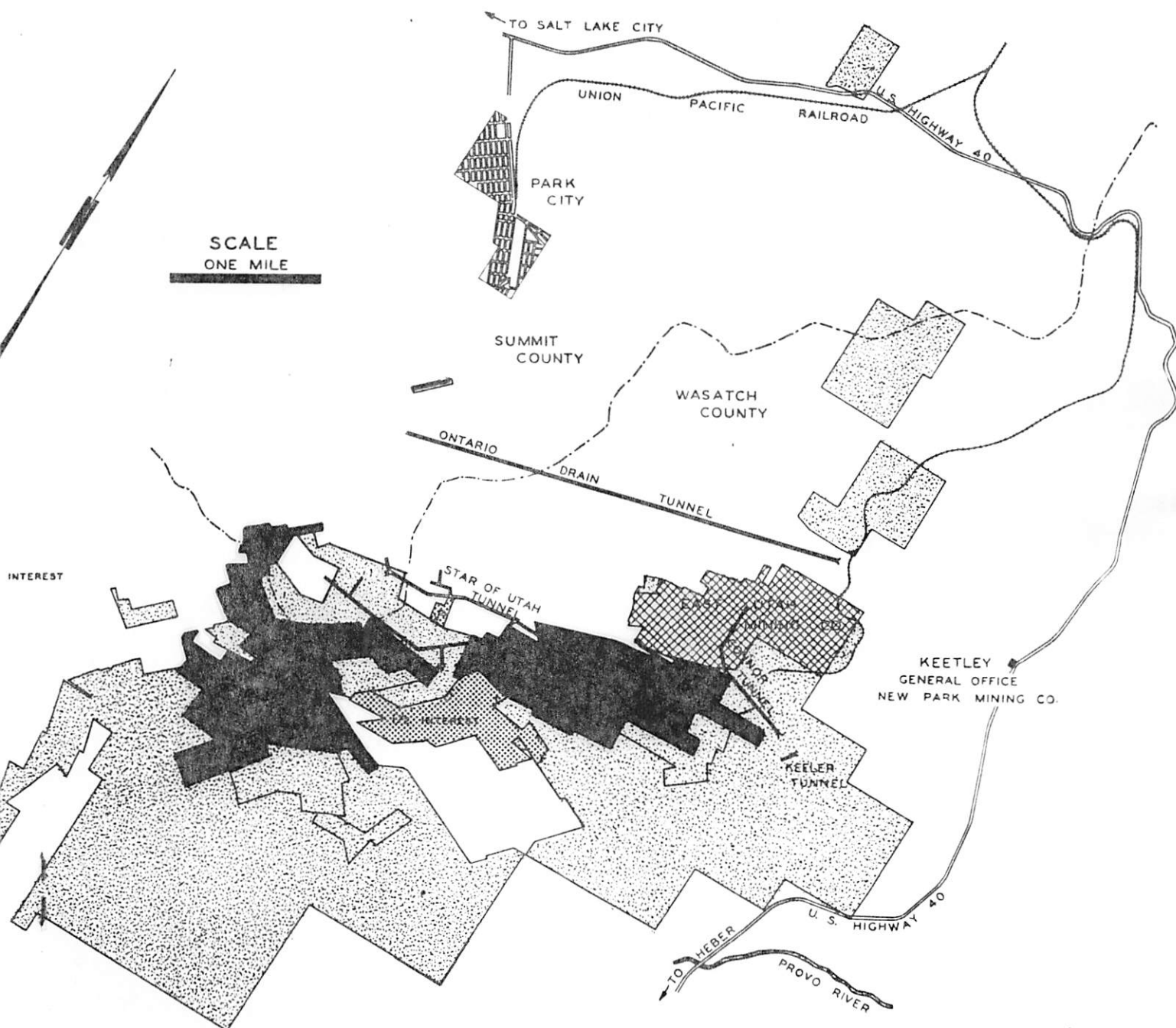
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-  NEW PARK PROPERTY
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-  NEW PARK PROPERTY IN 1940
-  EAST UTAH MINING CO.



PARK CITY AREA



PRESENT NEW PARK HOLDINGS

HUMAN ENERGY

A favorable future for employees at New Park Mining Company is a fundamental necessity for continued successful operation. Excellent labor relations in the past are a basis for future good will. Most New Park employees stay with the company for many years. The average employee has been with us for approximately 5 1/3 years. Good working conditions, sound wage structure, safety, welfare and retirement programs are factors that make work attractive at New Park. An apprentice training program is

planned to extend training privileges to our employees and to attract other desirable young men to our company. Under joint company and union sponsorship, such a program would outline the experience and training necessary to enable inexperienced employees to become skilled workers. As these employees acquire skill and experience under this apprentice training program, they will receive wage increases at periodic intervals in proportion to their progress. We are looking forward to making this plan a reality.



HOWARD L. BERRY
Master Mechanic



CARL D. HARPER
Accountant and Purchasing Agent



WILLIAM A. MAIR
Mine Foreman



RAY E. GILBERT
Chief Engineer and Geologist



J. EARL SMITH
Industrial Relations Manager

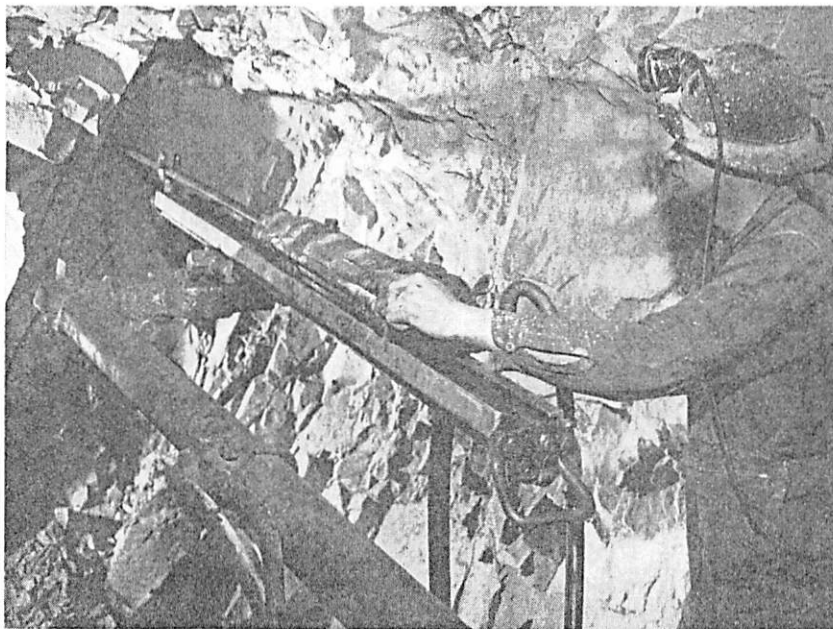
HUMAN ENERGY (Things to come)

As we face and solve the numerous problems that enter into our business, we are continually reminded that New Park employees are the most valuable asset of our company. One of the pleasant phases of employee relationship is the realization that we now have several employees with fifteen years of service. Forty-four employees have been with the company for over ten years. Stability of employment is of direct importance to the individual in planning his future, and is also directly important to him through stabilizing the operating functions of the company. Everyone interested in New Park is fortunate in having this group of workers that continue to serve in the process of our organization.

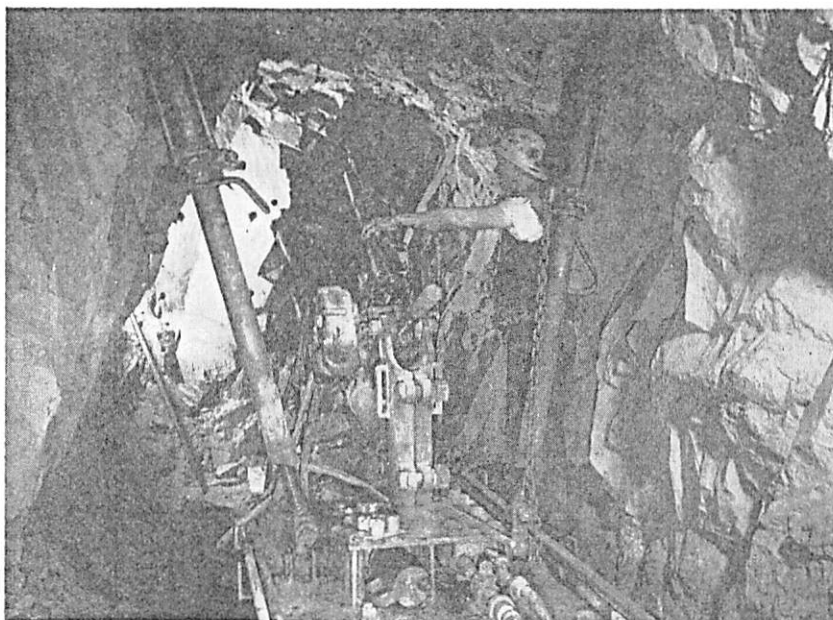
One of the bases of New Park's confidence in continuing equitable relations with all employees is the manner in which the various job classifications are arranged (see page 9). The position of a job in this classification was determined by applying twelve factors that have to do with job responsibility and working conditions. Thus each employee, by his own efforts, can improve his position.

The New Park management employees are experienced and professionally trained. Plans are now complete to have this group participate in a practical management counseling program to form a more skilled and informed management force.

A forecast of continued harmonious relations is justified by New Park's ideal combination — a working force and management team that is capable and experienced.



Elden Davis operates a drill jumbo in one of our exploration crosscuts.



Ralph Ingels is drilling the face of a crosscut to prepare for blasting a round.

Cost of Tools and Equipment Wearing Out (Depreciation, Obsolescence, Replacements)

\$122,854.93

Approximately one-half of the cost of this account is the 1951 depreciation of equipment. The laws permit an allowance or depreciation charge each year for the capitalized equipment. This is means of compensating for replacements and additions. We are allowed to depreciate most of our equipment over a seven-year period. We and other companies now find that due to inflation in unit prices, a machine purchased ten years ago can not be resold for its original price that theoretically has been refunded to us through depreciation. As a result, new equipment from profits, must continually be invested to provide a modern, efficient organization.

During 1951 the Dugway mining claims in Tooele County, Utah, were explored. This involved 115 lode locations that have been explored by test pits, shallow shafts and tunnels. Some narrow quartz veins were exposed containing small amounts of base metals. These seem to be even narrower in depth and the project isn't considered worthy of further prospecting.



Lewis Shields grinds tungsten carbide bits that are used in drilling operations.



George Pitts operated this tractor many hours this past winter to keep our roads open.

Things to Come

In connection with the abandonment of the Dugway claims, our plan is to concentrate exploration in certain areas of our Park City holdings. Geochemical prospecting has indicated a favorable mineral area in the vicinity of the Gold Queen Tunnel. Further geological work will be conducted to determine the type and extent

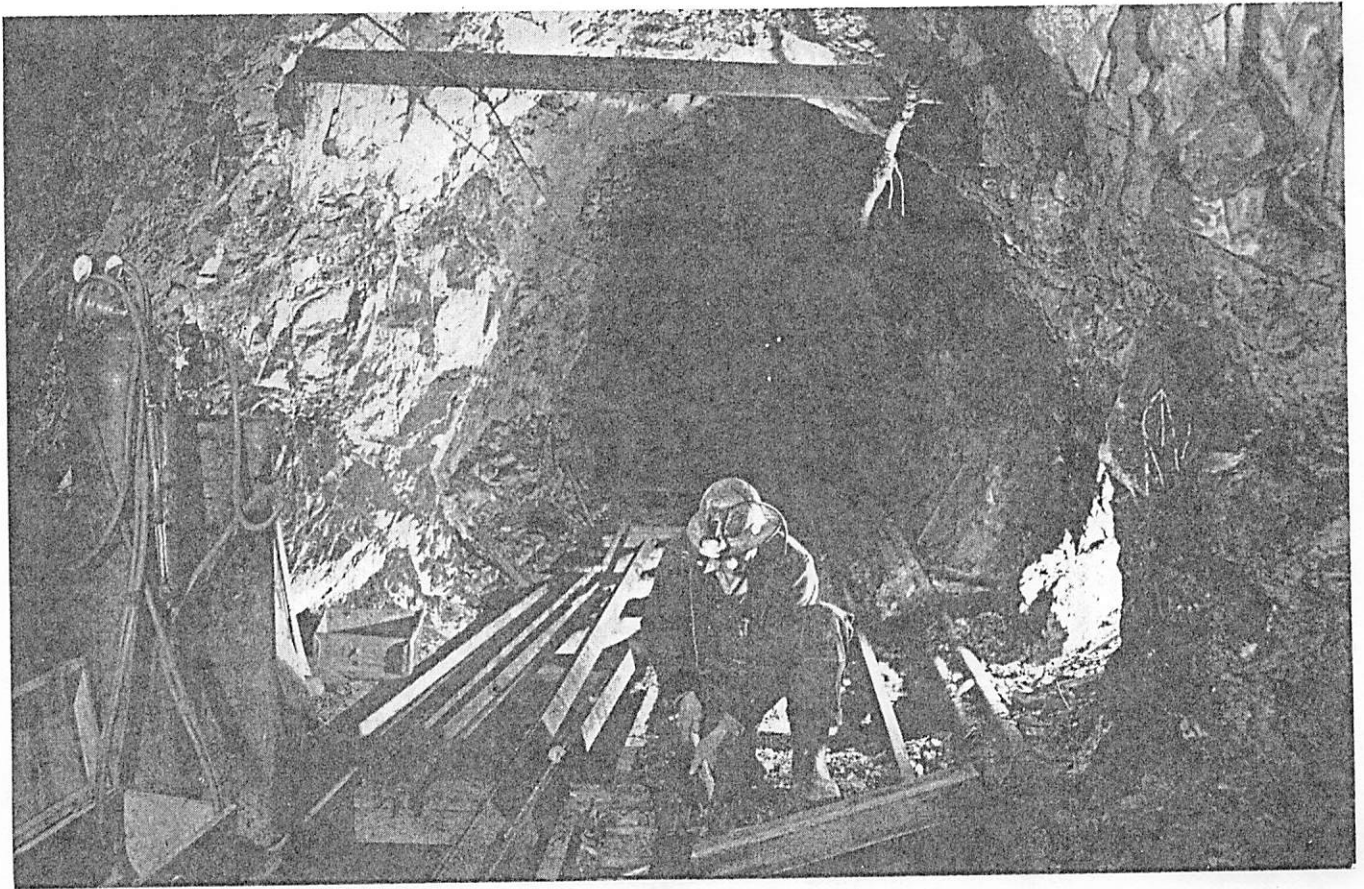


of exploration to be recommended for this project. Acquisition of the Troy Mining Company and Peter Johnson Claims, south of the Mayflower Tunnel, opens another area that appears promising. This will be studied during the summer of 1952 to further determine its possibilities. The Park City

Silver
Creek.
proper
fective

Do
bat



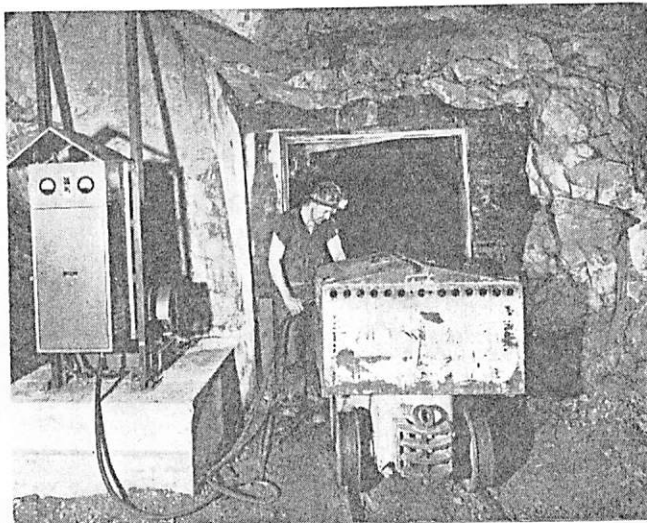


Sandy Pyper replaces worn mine rail in the Mayflower Tunnel.

Silver Lead Mines property is situated in Snake Creek. By arranging for the purchase of this property, the New Park management has effectively consolidated a continuous property

ownership through the southern part of the Park City Mining District. We plan to use a bulldozer in this area to expose surface outcrops of mineralized fissures, the initial phase in development.

Doyle Murdock prepares equipment to recharge a battery locomotive, used throughout the mine.



Bill Button, Electrician, inspects power cables that enter the mine through an 800-ft. cable hole.



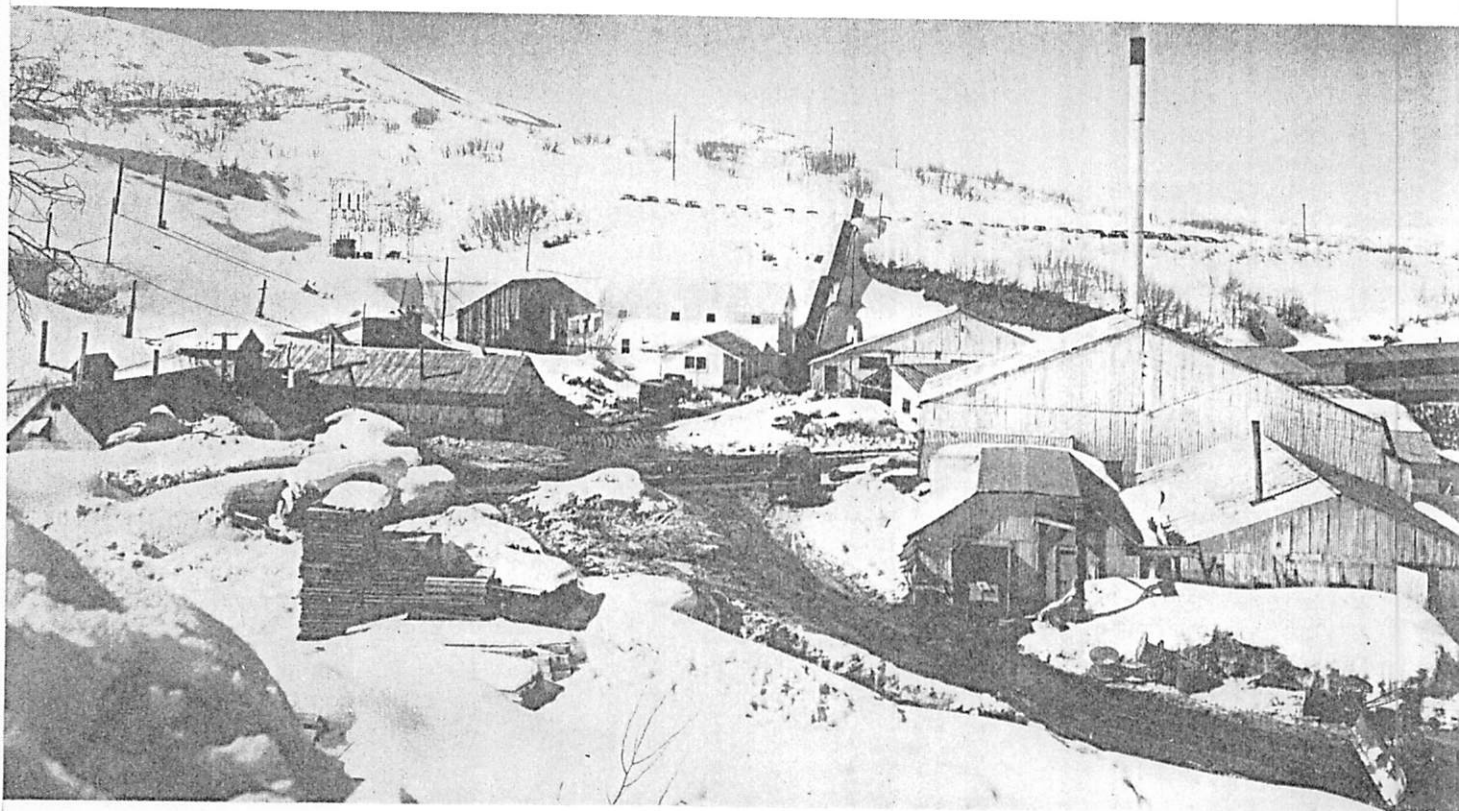


levied on net income. Changes in this payment occur as net income varies from year to year.

In 1951 the county tax decreased as a result of a decrease in the average net proceeds, which is the basis of the mine evaluation. This is calculated over a three-year period, and for 1951 includes the years 1948 through 1950.

Occupation tax is levied on net smelter returns. These returns increased in 1951 and resulted in an increased tax.

The decrease in federal income tax is due principally to the abandonment of loss taken on the Dugway Claims.



Winter view of Mayflower Tunnel portal and surface facilities, looking northwest.



PAYMENT ORDERED BY GOVERNMENT

(Taxes)

\$118,616.54

The following comparison of taxes in 1950 and 1951 reflects the relationship between the tax laws and the operation of our business:

	1950	1951
Corporation Tax	\$ 3,472.15	\$ 6,372.22
County Tax	40,222.99	35,932.53
Occupation Tax	16,693.28	22,415.26
Federal Tax	61,637.36	53,896.53
Total	\$122,025.78	\$118,616.54

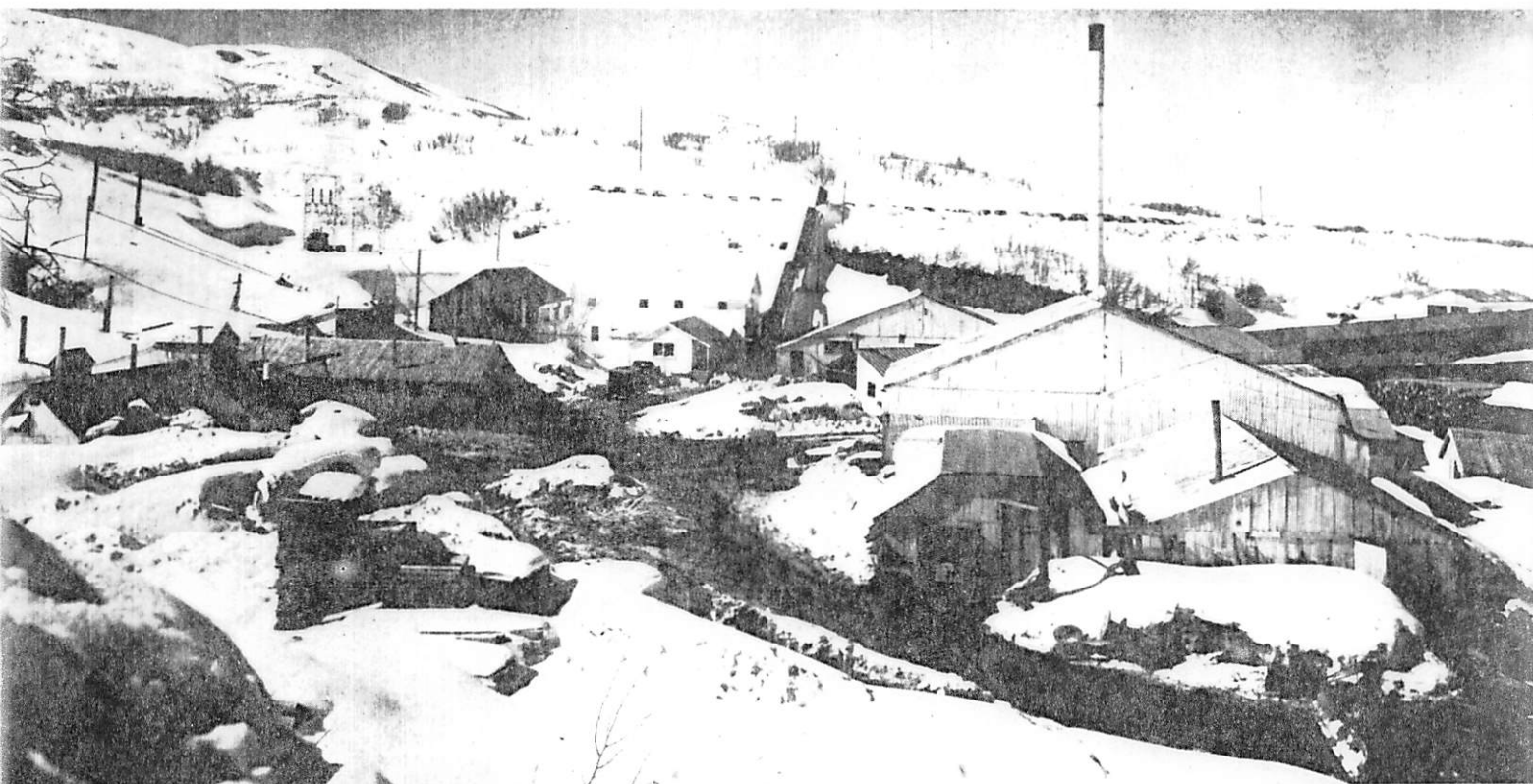


The corporation tax includes sales taxes and Utah State Franchise Tax levied on net income. Changes in this payment occur as net income varies from year to year.

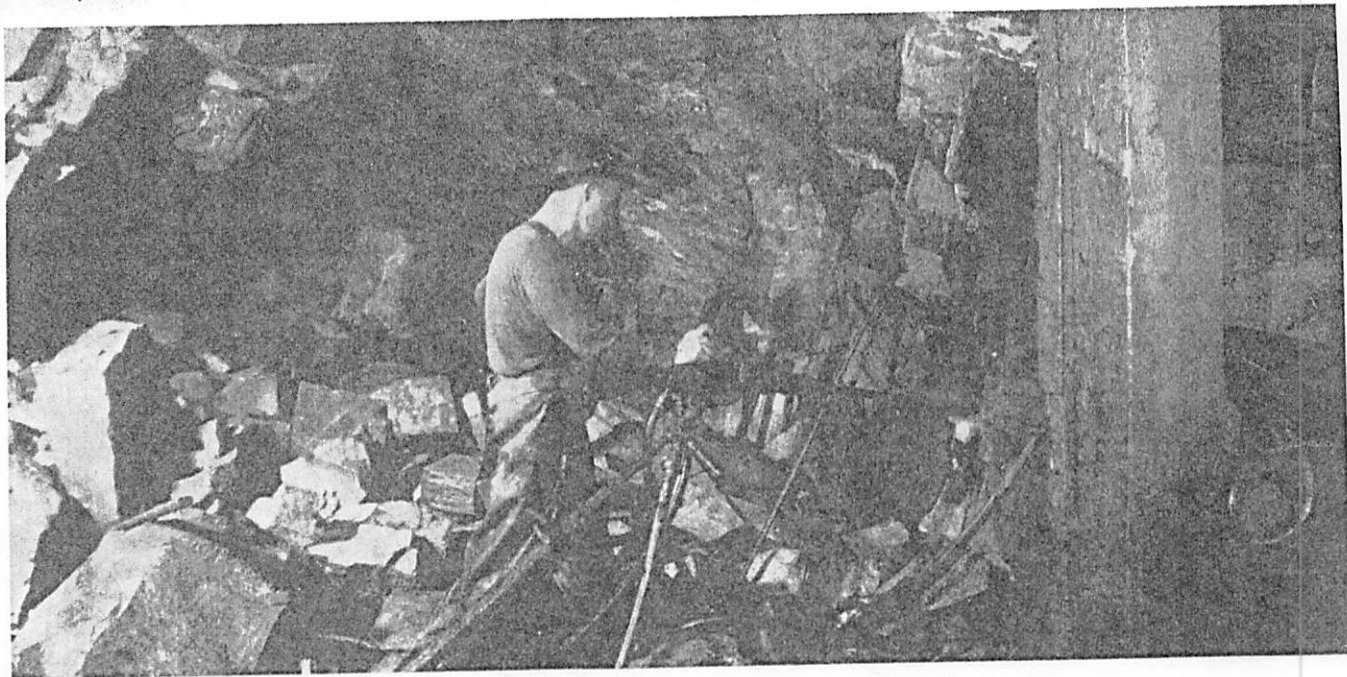
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Winter view of Mayflower Tunnel portal and surface facilities, looking northwest.



Bert Davis operates a jack-leg drill machine on the 1630 Level.

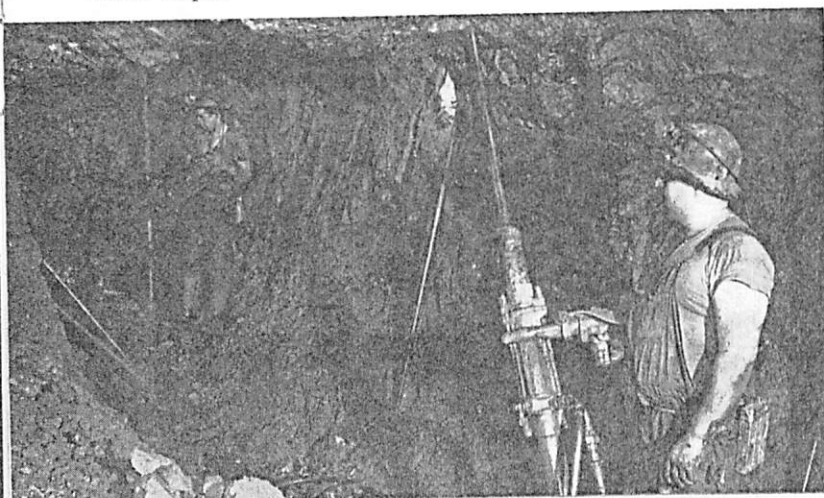
\$267,927.71

Net income in 1951 was \$267,927.71, compared to \$248,062.24 in 1950. This income amounted to 9¢ per share of outstanding stock and 6¢ per share was paid to stockholders as dividends number 20 and 21. These dividends were paid on 3,025,228 shares of stock to 3,285 stockholders living in all states of the union and in foreign countries. This is the eleventh consecutive year that dividends have been paid by New Park. Total dividends paid through December, 1951, amounted to \$2,098,894.85, or 70¢ per share.

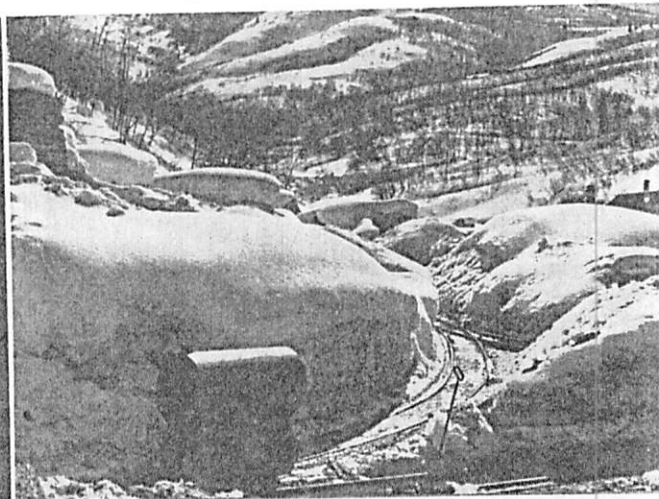
Net working capital increased to \$394,128.05 and the working capital ratio increased to 2.5 from 1.8 in 1950.

The accounting figures presented in this report include a reserve of \$70,279.74, representing a retroactive wage fund based on the New Park wage settlement offer that is now pending before the Wage Stabilization Board. The accounts as shown will be subject to adjustment upon final settlement of the wage negotiation as discussed on page 13.

Joe Lopez and Dan Norton drill ore in one of the Mayflower fissure stopes.



The past winter broke all records for snowfall in this View of the yard.





DIRECTORY

New Park Mining Company

(A NEVADA CORPORATION)

Organized May 2nd, 1932

Capital Stock Authorized
3,500,000 Shares

Par Value
\$1.00 Each Nonassessable

DIRECTORS

ORVEL BONNETT
FRASER BUCK

ROBERT L. CRANMER
W. H. H. CRANMER
F. STILLMAN ELFRED

CLARK L. WILSON
R. C. WILSON

OFFICERS

W. H. H. CRANMER
President and General Manager

FRASER BUCK
Secretary to the Board

R. C. WILSON
First Vice-President and Treasurer

ROBERT L. CRANMER
Secretary

CLARK L. WILSON
Mine Superintendent

RAY E. GILBERT
Chief Geologist

PETER JORALEMON
Assistant Superintendent

WALTER E. BAUER
Mine Geologist

WILLIAM A. MAIR
Mine Foreman

F. A. KUHLMAN
Mine Engineer

CARL D. HARPER
Accountant & Purchasing Agent

J. EARL SMITH
Industrial Relations Mgr.

HOWARD L. BERRY
Master Mechanic

ATTORNEY

Robert L. Cranmer, 903-904 Walker Bank Bldg., Salt Lake City, Utah.

TRANSFER AGENTS and REGISTRARS

First Security Bank of Utah, Main & Exchange Branch, Salt Lake City, Utah.
Irving Trust Company, One Wall Street, New York 15, New York.
American Trust Company, Transfer Agent, San Francisco, California.
Wells Fargo Bank & Union Trust Company, Registrar, San Francisco, California.

GENERAL OFFICES, KEETLEY, UTAH

Park City, P. O. Box 929

Phone Park City 50

SALT LAKE OFFICE - 903-904 WALKER BANK BUILDING

Phone 9-9811

Notice of Annual Stockholders' Meeting, Proxy and Proxy Statement will be mailed on or about May 19, 1952. This Annual Report is not a part of the Proxy soliciting material nor is it to be used as such.